



NEWS RELEASE
*Office of the
United States Attorney
for the
District of Nebraska*
Joe W. Stecher

1620 Dodge Street Suite 1400 Omaha NE 68102-1506 (402) 661-3700

January 23, 2009

United States Attorney Joe W. Stecher, the United States Postal Inspection Service, and the Federal Bureau of Investigation, announce the following information for the attention of the media:

Event Triggering this Release:

On January 23, 2009, the Honorable Joseph F. Bataillon, Chief United States District Judge, sentenced Rachel Lenagh, 39, of Neola, IA, to 24 months in prison following her conviction for conspiracy to commit health care fraud.

Rachel Lenagh, was an employee of Mutual of Omaha and worked in Omaha, Nebraska. Among her duties was the responsibility to process claims submitted by Mutual of Omaha policy holders. According to the indictment and information presented to the Court, Rachel Lenagh would, from time to time, process claims by manually inputting information into Mutual of Omaha computers which information was derived from claim forms and supporting billings submitted directly to her by policy holders. By inputting the information into the computer system Rachel Lenagh would cause the issuance of checks made payable to either the service provider or the policy holder depending on the designation of the policy holder.

Sharon Johnson, co-defendant, was a resident of West Dover, Vermont. At various times Sharon Johnson was an insured of Mutual of Omaha. It was alleged that Sharon Johnson would, from time to time, speak with Rachel Lenagh over the telephone for the purpose of submitting and processing claims for covered expenses.

According to the indictment commencing in 2001 and lasting until on or about December 5, 2006, Sharon Johnson and Rachel Lenagh conspired to cause Mutual of Omaha to pay Sharon Johnson for non-covered and, in most cases, non-existent medical expenses purportedly incurred by Sharon Johnson during the time the policies were in full force and effect. Sharon Johnson would submit fraudulent billing documentation to Rachel Lenagh. Rachel Lenagh would, in turn, input the fraudulent information into the Mutual of Omaha computer system and thereafter destroy the documentation. To make it appear the expenses were incurred during the time the major medical policy was in full force and effect, Rachel Lenagh would backdate the claim so it appeared services were performed during the time the policy was in effect.

It was also alleged that Rachel Lenagh would cause checks to be generated by Mutual of Omaha and sent to Sharon Johnson in the State of Vermont. Sharon Johnson would, from time to time, send money in the form of checks, gift and other items to Rachel Lenagh. During the conspiracy Rachel Lenagh received approximately \$95,600.00 from Sharon Johnson. It was alleged that during the conspiracy Sharon Johnson received approximately \$1,395,755.42 in the form of checks sent to her by Mutual of Omaha as reimbursement for non-covered and, in most cases, non-existent medical expenses. Sharon Johnson has also been indicted and her case is awaiting trial.

Name of Defendant: Rachel Lenagh

AKA:

Age: 39

City of residence: Neola, IA

Crime(s) Charged and Potential Penalty (A CHARGE is merely an accusation and every defendant is presumed innocent until and unless proven guilty): 5 years prison, \$250,000 fine 3 year term of supervised release and \$100 special assessment.

Specific Location of Alleged Crime: Omaha

Location of Arrest: n/a

Alleged Dollar Loss/Type and Quantity of Drug: Approximately \$1.4 million

Others Charged in Same Scheme: Sharon Johnson

Relevant Dates:

Date of Alleged Crime: Commencing in 2001 and lasting until on or about December 5, 2006

Federal Arrest Date: NA

Date Complaint Issued: NA

Indictment Returned Date: October 17, 2007

Initial Appearance Date: November 7, 2007

Plea or Trial and Date(s): Pled on October 28, 2008

Sentencing Date: January 23, 2009

Next Court Hearing Type and Date: N/A

Assigned Magistrate Judge: The Honorable Judge Thalken

Held without Bond, or Released from Custody: Released pending sentencing

In Continuous Custody Since: NA

Assigned District Court Judge: The Honorable Judge Bataillon

Initials of Assigned AUSA/Preparer of THIS Release: SLD